



State of California  
**Employment Training Panel**

Training Proposal for:  
**Lyons Magnus Inc.**

**Agreement Number: ET09-0220**

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **Sacramento**

Analyst: J. Basquez

**PROJECT PROFILE**

Contract  
Type: Priority/Retrainee  
SET/HUA - Retrainee

Industry  
Sector(s): Manufacturing

Counties  
Served: Fresno

Repeat  
Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority  
Industry: ☒ Yes ☐ No

No. Employees in CA: 400

No. Employees Worldwide: 600

Turnover Rate %	Manager/ Supervisor %
13%	10%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$310,068	\$0	\$310,068

In-Kind Contribution
\$360,431

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement, Management Skills	309	24 - 85	0	\$972	\$14.58
				Weighted Avg: 54			
2	SET/HUA - Retrainee	Business Skills, Computer Skills, Continuous Improvement	10	24 – 85	0	\$972	\$12.85
				Weighted Avg: 54			

**Minimum Wage by County:** Fresno County ETP Minimum wages is \$12.85

**Health Benefits:** ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:** ☒ Yes ☐ No

\$1.55 per hour may be used to meet the Post-Retention Wage.

**Other Benefits:** 401 K plan, vacation pay, group life insurance, savings plan program, holiday leave.

Wage Range by Occupation	
Occupation Title	Wage Range
Accounting Staff	
Information Systems Staff	
Maintenance Staff	
Managers	
Production Staff	
Quality Control Staff	
Sales Staff	
Warehousing Staff	

**INTRODUCTION**

In this proposal, Lyons Magnus Inc. (Lyons) seeks funding for retraining as outlined below:

Founded in 1852, Lyons develops and markets products with innovative packaging to meet the needs of Foodservice, Ingredient, and International customers.

Lyons pioneered the development of aseptic processing with fruit particulates in flexible packaging. Recently, Lyons developed the first large diameter tubular aseptic system and installed and operated the first aseptic plastic bottle filler in the United States.

Lyons has created a number of process innovations, including a system of in-process flavor injection; pre-process stream blending; forced air freezing; and thawing of frozen finished goods and raw materials.

In general Lyons is eligible for standard retraining funding and priority industry reimbursement under Title 22, California Code of Regulations (CCR), Section 4416(i), as a manufacturer identified under the North American Industrial Classification System. However, the company seeks funding under Special Employment Training (SET) for 10 employees it plans to hire during the term of the Agreement. SET funding is necessary to enable Lyons to provide ETP-funded training to the new hires as soon as they are hired, without waiting for the required 90 days of employment history.

Lyons is requesting assistance to train 319 employees in various areas, including sales, maintenance, quality control, accounting, and production. This training will allow Lyons to provide the highest level of customer service and quality product for its clients. Lyons represents that customer needs change all the time, therefore, it needs to adjust its business to meet the needs of its client base. The expansion of its business and client requests has created the need to augment current employee skill sets so that Lyons can remain competitive in the marketplace. Continuous process improvement and quality control disciplines will create a strong platform from which Lyons can grow.

With ETP funding, Lyons intends to improve current processes and provide its employees with the customer service skills necessary to satisfy the increasing expectations of its customer base. In return, Lyons expects to increase its business, as well as hire new employees, to meet these growing demands. Customer loyalty is the key to its business.

Lyons is located in an Enterprise Zone in Fresno. Its facility, at 800,000 square feet, is comprised of manufacturing, warehousing, cold storage, and office buildings. Training will take place at the facility.

## **PROJECT DETAILS**

To remain competitive, produce innovative products, and meet changing consumer demands Lyons is requesting the following training:

**Business Skills** training will be provided to all staff and include product knowledge, interpersonal communication skills, customer service skills, workplace diversity, successful selling techniques, accounting, inventory control, project management, supply chain management, and budgeting.

**Computer Skills** training for all staff will include advanced Windows Operating Systems, advanced Microsoft Office, and Enterprise Resource Planning.

**Continuous Improvement** training for all staff will cover lean manufacturing principles and tools, problem solving and decision making; teambuilding skills; operation workflow; quality concepts; TQM, process improvement; working through change; achieving high standards in workplace conduct; statistical process control; and food processing training.

**Management Skills** training is only for supervisors and managers and will cover leadership skills, motivation/coaching skills, facilitating and managing change, and coaching procedures.

**Commitment to Training**

Lyons realizes that training is the key to retaining customers and employees. Lyons needs to increase training to meet the current and future needs of business. Lyons currently has a training program in place, but must expand it to meet the needs of a growing business. Lyons' annual training budget is \$100,000 per year.

Lyons represents that ETP funds will not displace the company's existing financial commitment to training. The company expects that the enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Lyons represents that it provides safety training, supervisorial training, sexual harassment prevention, new employee orientation, quality control, food safety, APICS (supply chain), information technology courses, lean manufacturing, internal audit and labor laws.

**Special Employment Training**

Under SET the trainees are not required to meet eligibility standards for retraining. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period. (Unemployment Insurance Code 10214.5. Title 22, CCR, Section 4409(a).)

Trainees in Job Number 2 are not required to meet the 90-day employment history eligibility standards for retraining. (Unemployment Insurance Code Section 10201(c).)

Trainees in Job Number 2 may not meet the statewide average hourly wage, but qualify for the ETP Minimum Wage because training is in a HUA. (Title 22, CCR, Section 4409 (b)).

**High Unemployment Area**

The trainees in Job Numbers 1 and 2 are in a HUA which is an area where unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, CCR, Section 4429(b).) Lyons is not requesting a wage modification for the 309 trainees in Job Number 1. The 10 trainees in Job Number 2, however, qualify for a SET/HUA wage (see above).

**RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal, including the special provisions of SET/HUA funding for Job Number 2.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum**

Trainees may receive any of the following:

**Class/Lab Hours**

24 – 85

**Business Skills**

Product Knowledge  
Interpersonal Communication Skills  
Customer Service  
Workplace Diversity  
Successful Selling Techniques  
Accounting  
Inventory Control  
Project Management  
Supply Chain Management  
Budgeting

**Computer Skills**

Intermediate Windows Operating Systems  
Advanced Microsoft Office  
Enterprise Resource Planning (ERP)

**Continuous Improvement**

Lean Manufacturing Principles and Tools  
Problem Solving and Decision Making  
Teambuilding Skills  
Operations/Workflow  
Quality Concepts  
TQM (Total Quality Management)  
Process Improvement  
Working Through Change  
Achieving High Standards in Workplace Conduct  
Statistical Process Control  
Food Processing Training

**Management Skills** (For managers/supervisors only)

Leadership Skills  
Decision Making  
Motivation – Building a High Performance Work Group  
Coaching Skills  
Facilitating and Managing Change  
Coaching Procedures